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TAGS: [PREL](#) [PGOV](#) [EAGR](#) [ECON](#) [EFIN](#) [AR](#)
SUBJECT: (C) ARGENTINE BUSINESSMAN ON WORRIES ABOUT
IMPENDING CRISIS, POSSIBLE CABINET SHAKE-UP

Classified By: Ambassador E. Anthony Wayne for reasons 1.4 (B) and (D).

¶1. (C) A very well-connected Argentine businessman told the Ambassador March 5 that senior GoA ministers are privately very concerned about the eventual effects of the world economic crisis on Argentina. This businessman has regular access to a wide range of GoA ministers and has been used for various informal initiatives by the GoA. This individual has regularly provided accurate perspectives on the Kirchners and top GoA officials.

¶2. (C) The source said that Interior Minister Florencio Randazzo, for example, is privately very concerned that the Argentine economy could start to deteriorate seriously in the second half of 2009, causing social tensions to rise, when the compounded effects of the global crisis hit Argentina. (Randazzo has become the government's effective Cabinet spokesman in recent months.) His private concern about the crisis is the reason that Randazzo, along with Production Minister Giorgi, has pushed for agreement with the farmers and participated in the talks himself. In his view, the GOA needs to settle problems now. (Comment: According to the businessman, privately, Randazzo reportedly confides that he would like out of the government, but he knows that his die is cast with the Kirchners and he must do all he can to help the government survive.)

¶3. (C) Others in the GoA, including Internal Commerce Secretary Guillermo Moreno, continue to argue for a hard line on the farm dispute and other issues and would be happy to see things blow up if they cannot prevail, according to the businessman. The key factor in deciding which way the wind blows inside the government is former president Nestor Kirchner. Over the last week, the ex-president's concerns over the direction of the global economy have tilted him more in favor of working toward agreement with the farmers and toward letting the peso drop in value against the dollar. Unfortunately, Nestor Kirchner changes course on such matters fairly often, the businessman argued, so it is not yet clear how far the dialogue with the farmers can go. Kirchner will adjust his moves to achieve tactical advantage as Argentina moves toward mid-term congressional elections in October.

¶4. (C) Concerning internal GoA politics, the businessman says Nestor has been searching for someone to replace Cabinet Minister Sergio Massa since early January. Nestor thinks Massa has too high a public profile and is not sufficiently loyal: "you are with me or against me," is Kirchner's attitude. However, so far, he has not found a willing and appropriate taker to replace Massa, according to the businessman. As part of this effort to reconfigure the government, Kirchner has also tried to lure former cabinet chief Alberto Fernandez back into government because he wants Fernandez to help secure victory in the congressional elections. Alberto Fernandez, however, sees Nestor's offer as a poison chalice. He is doing all he can to resist without offending. At present, according to the businessman, Alberto Fernandez does not think he can successfully bring about the needed changes in the first couple's governing

style before the October congressional elections. After those elections, there may be more opportunity for change, Fernandez reportedly calculates, if he can resist Nestor until then.

WAYNE